

STATE UNVEILS ARIZONA TAX AMNESTY PROGRAM

Arizona is launching a tax amnesty program that will run from September 1 through October 31, 2003. Governor Janet Napolitano proposed, and the legislature included in the budget bill that was passed, an opportunity for people and businesses to come clean by filing previously unfiled Arizona state tax returns with no civil penalties and a reduced amount of interest.

Some individuals and business are not paying their fair share of taxes to support Arizona government funded activities, Arizona Department of Revenue (DOR) Director J. Elliott Hibbs explained. "These range from those who don't realize they should be paying tax to those hardcore evaders who deliberately underreport their taxes or refuse to file altogether."

"People and businesses who underreport or fail to file their taxes place an unfair burden on the honest taxpayers who are paying for the essential government services enjoyed by all Arizonans," Governor Napolitano stated. "My administration is addressing this problem."

Money was restored to the DOR budget to fund the hiring of an additional 103 audit and collections positions. Also, DOR is beginning year two of a five-year upgrade of all its computer technology that will enable it to find more individuals and businesses that should be paying Arizona taxes. The new,

integrated tax-administration information system will also provide greater ability for the Department of Revenue to identify patterns of tax noncompliance across regions and industries. "Everybody is on a list somewhere, and we will find them," said Hibbs.

"We've created a convenient time for individuals and businesses to come clean and file long overdue tax returns and correct underreported taxes before we come knocking on their doors," Hibbs continued. "That time is the Arizona Tax Amnesty period – September 1 through October 31, 2003."

The Arizona Tax Amnesty Program gives Arizona taxpayers, individuals and businesses, the opportunity to file and pay back taxes with a reduced amount of interest and no civil penalties. The tax amnesty program applies both to taxes that have not yet been filed and taxes underreported in the past.

Included in the amnesty are income, withholding, luxury, transaction privilege, and use taxes. Amnesty applications will be accepted from September 1, 2003 until October 31, 2003. At least one-third of the total liability must be paid by October 31, 2003. The payment of the remaining balance is due no later than May 1, 2004.

For taxes filed on an annual basis, amnesty is available for years beginning on or after January 1, 1983 and ending before January 1, 2002. Taxpayers who filed taxes on a monthly

or quarterly basis are eligible for tax periods beginning on or after January 1, 1983 and ending before January 1, 2003.

"Tax amnesty is a rare opportunity for those who live, work or do business in Arizona to come clean and pay any back state taxes they owe without any civil penalties or threat of prosecution and with a reduced interest rate, " said Hibbs. "This will also generate much-needed revenues for the state."

More details and forms can be obtained by visiting www.taxamnesty.az.gov or by calling (602) 364-3550.

"Encourage your family, friends, co-workers and anybody else to take advantage of this," said Napolitano. "They should be helping you pay for all the vital government services like education, health services, parks and public safety."